

51-5-6. Accounting principles and specific accounting and financial reporting procedures.

- (1) The Division of Finance shall:
 - (a) use generally accepted accounting principles applicable to governmental units in:
 - (i) its accounting procedures; and
 - (ii) its reports of the state's financial position and results of operations in each fiscal period; and
 - (b) note any deviation for budget purposes in the state's financial statements.
- (2) Unless otherwise required by generally accepted accounting principles, the following specific procedures shall be implemented:
 - (a) The Division of Finance shall use the basis of accounting established by GASB for financial reporting of each fund type.
 - (b) The Division of Finance shall:
 - (i) calculate the liabilities associated with postemployment benefits by applying:
 - (A) GASB standards as they become available; or
 - (B) appropriate standards available for private business if GASB standards are not available;
 - (ii) recognize all liabilities associated with postemployment benefits in a separate fund for budget purposes and in the General Fund or other funds as required by GASB for reporting purposes;
 - (iii) provide for an ongoing labor additive beginning in the budget request for fiscal year 1995 to charge all federal, state, or other programs at a rate sufficient to cover the annual change in the postemployment benefits liabilities of the separate budget fund; and
 - (iv) provide for ongoing payments against the postemployment liabilities budget fund as employees qualify for receiving the postemployment benefits.
 - (c) The Division of Finance shall post receipts of revenues and other resources of each fund when collected directly to the fund designated to receive them.
 - (d) The Division of Finance shall use budgetary accounts to:
 - (i) account for budgetary funds to the extent necessary to reflect the budget position and budget operations; and
 - (ii) account for the remaining funds when administrative expenses of the remaining funds are subject to appropriations, in order to fully reflect the various budgetary commitments as provided by law.
 - (e) The Division of Finance shall prepare statements of revenues and expenditures in a form that accurately reflects the results of operations for a particular fiscal period.
 - (f) The Division of Finance shall determine:
 - (i) all costs associated with all internal service funds that are eligible for federal reimbursement; and
 - (ii) all costs that are required to be included in the funds to comply with generally accepted accounting principles.
 - (g) (i) All costs currently borne by a fund or an account that is not an internal service fund that should be allocated to an internal service fund may be charged as an expense to the internal service fund, paid to the fund bearing the costs, and recorded

as interfund revenue in that fund.

(ii) The Division of Finance may transfer the interfund revenue recorded in funds or accounts that are not internal service funds to the internal service fund as contributed working capital.

(h) The Division of Finance shall record revenue in the various funds and accounts in accordance with generally accepted accounting principles.

(i) (i) The Division of Finance and each administrative unit of state government shall record accrued revenue net of any liabilities for revenue refunds as required by Division of Finance policy.

(ii) Accrued revenue may be used to offset postemployment benefit liabilities and other liabilities of the state.

Amended by Chapter 85, 1993 General Session

Amended by Chapter 128, 1993 General Session

Amended by Chapter 212, 1993 General Session